

Highland Environmental Management

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US EPA RECORDS CENTER REGION 5



471641

May 14, 2001

BY FAX

Susan Prout, Esq.
US EPA Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Dear Susan:

Attached at your request is the backup demonstrating that a \$229,348.01 delta in additional costs will be incurred as a result of the brownfields remedy at the Cleveland property. These costs are not driven by environmental risk mitigation concerns, but rather are a direct result of NOLTCO's business needs for the property. I also emphasize that the PRP respondents would be taking the remedy cost risk and, consequently, costs may well escalate when we get into the field. In addition to these costs, the PRP respondents incurred approximately \$200,000 in costs associated with the Holmden Avenue work.

Finally, I received today the EPA's revised demand for oversight costs in the amount of \$125,519.09. As we have discussed, NL and the other PRPs will not enter into a negotiated settlement to implement the brownfields remedy unless EPA agrees to forgive all of these costs as part of the deal. Even if all of these oversight costs are forgiven, the PRPs will still incur substantially more costs to implement the brownfields remedy than the original remedy selected for the site. As you know, the original remedy was based solely on environmental health and safety concerns while the amended remedy, and attendant cost increases, were a result of NOLTCO's decision to operate a lumber business on the property.

Very truly yours,

Marcus A. Martin

c: George J. Marek